## JUSTIFICATION FOR EXCEPTION TO FAIR OPPORTUNITY

1. <u>Contracting Activity</u>: Department of Veterans Affairs (VA)

Office of Acquisition Operations
Technology Acquisition Center -Austin

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 Description of Action: This proposed action is for a firm-fixed-price Delivery Order (DO) to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government-Wide Acquisition Contract (GWAC).

- 3. <u>Description of Supplies or Services</u>: The proposed action will provide maintenance and support for VA-owned HID on-line certificate status protocol (OCSP) responder appliances (hardware with embedded software) used by the Office of Information and Technology (OI&T), Enterprise Messaging and Collaboration Services (EMCS). The HID Responder appliances are a security appliance that provides on-line certificate status protocol validation. The appliances provide enterprise certificate validation which is used to check the status of secure credentials. The VA information technology (IT) systems use the secure credentials status to verify access for network logon, email security, and digital signature, including prescribing medicine. The required appliance support services are for email and telephone support and system updates for the responder appliance, including hardware and software updates and patches. This will ensure the appliances remain operational and are running optimally to serve VA requests. The anticipated period of performance will consist of a 12-month base period with four 12-month option periods. The total estimated price of the proposed action. inclusive of the option periods, is
- 4. <u>Statutory Authority</u>: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(2) as implemented by the Federal Acquisition Regulation (FAR) 16.505(b)(2)(i)(B), entitled "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized."
- 5. Rationale Supporting Use of Authority Cited Above: This is a brand name justification in accordance with FAR 11.105, Items Peculiar to One Manufacturer. Based on the market research, as described in the market research section of this document, it was determined that limited competition is available for the aforementioned brand name HID Responder appliance premium support services. Any other brand name appliance support solution is not able to integrate with the currently fielded HID Responder appliances. Additionally, no other brand name software will be interoperable with the currently fielded HID Responder OCSP

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validation embedded software. Specifically, the current OCSP appliances, including hardware and software, communicate through a source code based on HID proprietary data. No other appliance software can provide this communication capability without this source code. HID only permits HID authorized resellers to provide hardware/software maintenance and support of its products due to the complex and proprietary nature of the data involved. Therefore, any vendor that is not capable of providing HID authorized maintenance and support shall impose significant risk to the Government as unauthorized vendors will not have access to HID proprietary data, including appliance software patches and updates. Additionally, VA has invested more than \$300,000 in the purchase and implementation of the Responder appliances, which have not reached end of life, making it cost prohibitive for VA to consider the procurement of other brand name appliances.

- 6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements. It was determined however that limited competition is viable among authorized resellers for this brand name item. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsized at award on the Federal Business Opportunities Page and the justification will be made publicly available. In accordance with FAR 16.505(a)(4)(iii)(A)(2) this Justification for an Exception to Fair Opportunity will be posted on the NASA SEWP IV website with the solicitation to all contract awardees.
- 7. <u>Actions to Increase Competition</u>: Although the Government is limiting competition as a result of specifying brand name maintenance and support, there are multiple authorized resellers of the brand name item on the NASA SEWP V GWAC. Limited competition among these vendors is anticipated.
- 8. Market Research: The Government's technical experts conducted market research by reviewing other similar hardware and software. This market research is an ongoing process and was conducted as recently as May 2015. The Government's technical experts found that HID Responder brand name maintenance and support is the only maintenance and support solution capable of supporting VA's infrastructure. Specifically, in December 2014, the Government's technical experts from the OI&T EMCS researched the marketplace to determine if any other brand name items could meet VA's requirements. The marketplace indicated vendors from Liebert Site Scan, Aperture, Hewlett Packard Openview, Pelco, and Powerware could provide similar solutions. The VA EMCS technical experts concluded that the expenditure required to implement a new solution is cost prohibitive and that HID Responder brand name maintenance and support is currently the only acceptable and suitable solution that will support VA's existing infrastructure.

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In May 2015, the Contract Specialist performed a search for HID part number 333016 on the NASA SEWP V website, using its quick RFI tool, yielding four resellers (Better Direct, Four Points Technology, PCMG, and Spectrum Systems ) capable of providing the required HID Responder appliance maintenance services. Additionally, in May 2015, Envoy Data, HID's SEWP V distributor, provided the current list of its NASA SEWP V HID authorized resellers capable of providing the required services as follows: one small business in Group A (Intelligent Decisions), two service-disabled Veteran-owned small businesses (SDVOSB) in Group B2 (Alvarez and Associates and Four Points), one woman-owned small business in Group C (Sterling Computers), and four large businesses in Group D (GovConnection, Insight, PCMG, and Unisys). Therefore, the subject solicitation will be set-aside to SDVOSB GWAC holders under NASA SEWP V under the North American Industry Classification System (NAICS) code 541519 in Group B1 (SDVOSB), Group B2 (Historically Underutilized Business Zones (HUBZones)). Group C (Small Business), and Group D (Value Added Resellers). Therefore, limited competition is anticipated for this proposed action.

9. Other Facts: None.